

Service Date: May 24, 1976

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

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IN THE MATTER of the application of ) DOCKET NO. 6412  
BLACK HILLS POWER AND LIGHT COMPANY for )  
an order authorizing the issuance and sale of 40,000 ) ORDER NO. 4262  
shares of cumulative preferred stock. )

On April 19, 1976, BLACK HILLS POWER AND LIGHT COMPANY, (hereinafter referred to as Black Hills) a corporation organized and existing under and by virtue of the laws of the State of South Dakota, and qualified to transact business in Montana, filed with the Public Service Commission of Montana, its verified application, requesting an order authorizing Black Hills to issue and sell 40,000 shares of a new series of its authorized and unissued cumulative preferred stock of the par value of \$100 per share, 8.90 percent series, hereinafter referred to as the New Preferred Stock. The application is supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization of issuance of securities by electric and gas utility companies operating within Montana.

Reference is hereby made to the annual reports of Black Hills on file with the Commission with respect to the general character of Black Hills' business and the territory served by it.

Black Hills proposes to issue and sell the New Preferred Stock on or about the latter part of the month of May, 1976, for cash at a price of par. The New Preferred Stock will rank pari passu in all respects with the presently outstanding 4.20 percent series, 8.75 percent series and 11.00 percent of cumulative preferred stock of Black Hills and will have the same voting rights. The voting rights of the stockholders of Black Hills are set forth in subdivisions F, G, H, I, J and L of Article Fourth of the Articles of Incorporation, as amended, a copy of which has been filed (Exhibit A), to which reference is hereby made. Black Hills' outstanding series of cumulative preferred stock do not have, and the New Preferred Stock will not have any preemptive or other subscription rights, and the

holders of the outstanding shares of common stock of Black Hills do not have any preemptive right to subscribe to the New Preferred Stock. The New Preferred Stock will be entitled to \$100 per share in the event of involuntary liquidation, and to the then applicable redemption price in the event of voluntary liquidation.

The following institutions have offered to purchase the New Preferred Stock in the number of shares set opposite their names, upon the terms described in the application (dividends will accrue at the rate of 8.90 percent per annum) at a price of par, which offers were accepted by Black Hills subject to the approval of the Public Service Commissions of Montana and Wyoming and the Public Utilities Commission of South Dakota:

<u>Purchasers</u>	<u>No. of Shares</u>
Mutual Benefit Life Insurance Company Newark, New Jersey	20,000
Kansas City Life Insurance Company Kansas City, Missouri	10,000
General American Life Insurance Company St. Louis, Missouri	10,000

Black Hills proposes to apply the net proceeds from the sale of the New Preferred Stock to the additions and improvements of its properties, including the repayment of interim bank loans obtained for such purposes.

The application sets forth counsel who will pass upon the legality of the proposed issue and the other regulatory authorizations required and the propriety of the proposed issue.

Having fully considered the application and all the data and records pertaining thereto on file with the Commission and being fully advised in the premises, the Commission makes the following:

#### FINDINGS OF FACT

1. That the applicant, Black Hills Power and Light Company, is a corporation organized and existing by virtue of the laws of the State of South Dakota and is qualified to transact business in the State of Montana.

2. That Black Hills is operating as a public utility as defined in Section 70-103, R.C.M. 1947, and as such is engaged in furnishing electric service in Montana.

3. That the Commission has jurisdiction over the subject matter of said application under R.C.M. 1947, Sections 70 - 117.1 through 70 - 117.6.

4. That the securities transaction proposed by Black Hills as hereinafter authorized will be for a lawful purpose and is consistent with the public interest; that same is necessary or appropriate for and consistent with the proper performance by Black Hills of service as a public utility; and that the aggregate amount of the securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of Black Hills.

5. That public notice of the filing of said application was given on April 23, 1976, in the Ekalaka Eagle and no protests or requests for a formal hearing were received by May 10, 1976.

#### CONCLUS ION

The Commission concludes that the application of Black Hills Power & Light Company herein should be granted as hereinafter ordered.

#### ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its offices at Helena, Montana, there regularly came before the Commission for final action the matters and things in Docket No. 6412, and the Commission being fully advised in the premises orders:

The application of BLACK HILLS POWER & LIGHT COMPANY for authority to issue and sell 40,000 shares of its authorized and unissued cumulative preferred stock of the par value of \$100 per share, at an 8.90 percent dividend rate, and to use the proceeds thereof for the purposes set forth in its application and as set forth above, is, approved, subject to the provisions of this order.

NOTE: Section 70 - 117.6, R.C.M. 1947, provides that neither the issuance of securities by applicant pursuant to the provisions of this order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed

hereunder.

The approval of this stock offering shall not be construed as precedent to prejudice any future action of this Commission with regard to any security issue.

Issuance of this order does not mean acceptance of the applicant's exhibits or other material accompanying the application for any purpose other than the issuance of this order.

DONE in OPEN SESSION at Helena, Montana, on May 19, 1976, by a 4 - 0 vote,  
Commissioner Monahan absent.

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GORDON E. BOLLINGER, Chairman

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P.J. GILFEATHER, Commissioner

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JAMES R. SHEA, Commissioner

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GEORGE TURMAN, Commissioner

ATTEST:

GAIL E. BEHAN  
Secretary

(SEAL)

NOTICE: You are entitled to judicial review of this order. Judicial review may be obtained by filing within thirty (30) days from the service of this order, a petition for review pursuant to Section 82-4216, R.C.M. 1947.